



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 13, 1996

*surety & RC
replaced 6/00*

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: D. Wayne Hedberg, Permit Supervisor/Lowell P. Braxton, Associate Director *LB*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *AA*

RE: Request for Board Approval, Amount and Form of Reclamation Surety, Diamond K Gypsum Company, DKG Quarry, M/015/041 (UTU-69860), Emery County, Utah

The Division seeks Board approval of the amount and form of reclamation surety provided by Diamond K Gypsum for the DKG Quarry, located in Emery County, Utah. The form of surety is a joint letter of credit (LOC), with Key Bank of Utah for the amount of \$29,400. The LOC jointly lists the Division and BLM because of the involvement of federal lands. The LOC provided by Key Bank has a significant number of items omitted when compared to the Division's December 12, 1994 version of the LOC form. Key Bank will be providing a cover letter justifying these changes. A copy of this letter will be routed through the Division's legal counsel for review and comment. Emery County Commission has notified us that a surety posted with the Division will satisfy their bonding requirements for reclamation of the mine site. This mine was previously permitted with the Division as a small mine which then expanded to large mine status.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Executive summary
4. Reclamation surety estimate
5. Reclamation Contract (Form MR-RC)
6. Irrevocable Letter of Credit and Key Bank Letter

Thank you for your time and consideration of this request.

jb
Attachments
M015-41.brd



DOGM MINERALS PROGRAM

Checklist for Board Approval
of
FORM AND AMOUNT OF SURETY

Prepared February 12, 1996

Company Name Diamond K Gypsum
 Mine Name DKG Quarry (B & J Placer Claims)
 File No. M/015/041

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification		X	N/A - Letter of Credit
Bond/Reclamation Surety	X		
Surety Sign Off (Other State/Federal Agencies)		X	Joint Agency LOC Form; Letter to Emery County Commission
RDCC contacted	X		

T22S, R9E
NW 1/4 SW 1/4 AND NW 1/4 SW 1/4 SEC 29

R9E

3861 IV NW
(SID AND CHARLEY)

506

507 55'

508

12 170 000 FEET 509

510

110°52'30" 38°

M/015/041
DIAMOND K GYPSUM
UTU-69860

COPPER GLOBE QUADRANGLE
UTAH-EMERY CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)
SW 1/4 SAN RAFAEL KNOB 15' QUADRANGLE



EXECUTIVE SUMMARY

Prepared February 14, 1996

Mine Name: DKG Quarry
Operator: Diamond K Gypsum
234 North 500 West
Richfield, Utah 84701
Telephone: (801) 896-8870 Fax 896-8893
Contact Person: Phillip M. Palmer/Karen Palmer

I.D. No: M/015/041
County: Emery
New/Existing: New
Mineral Ownership: Fee
Surface Ownership: BLM
Lease No.(s): UTU-69860
Permit Term: Life of Mine

Life of Mine: 10 years

Legal Description: NE1/4 SW1/4 and NW1/4 SW1/4 of Section 29, Township 22 South, Range 9 East, SLBM

Mineral(s) to be Mined: Gypsum

Mining Methods: Overburden removal with a 950 Cat Loader and a 280.2 Mitsubishi Trackhoe. Cryptobiotic crust (top ~4 inches) is to be salvaged and stockpiled for replacement during reclamation. The gypsum deposit is mined using a road reclaimer instead of drilling and blasting. There is no onsite processing.

Acres to be Disturbed: 12 acres

Present Land Use: Marginal grazing

Postmining Land Use: Improved forage for marginal grazing

Variances from Reclamation Standards (Rule R647) Granted: None

Soils and Geology:

Soil Description: Gypsiferous soils, loam

pH: 7.6

Special Handling Problems: None

Geology Description: Three degree west dipping gypsum rock bed of the Jurassic Carmel formation dissected by dry wash gullies draining during flash floods into South Salt Wash dry drainage.

Hydrology:

Ground Water Description: Elevation is unknown. Depth to the local and/or regional aquifer is approximately 220 feet to the top of the Navajo Sandstone Aquifer.

Surface Water Description: The quarry will not encroach upon the South Salt Wash floodplain. There will be an undisturbed margin between the quarry and this drainage.

Water Monitoring Plan: None required. South Salt Wash is a dry wash and carries water only during flash floods.

Ecology:

Vegetation Type(s); Dominant Species: Atriplex confertifolia (shadscale) and Oryzopsis hymenoides (indian ricegrass), Chrysothamnus nauseosus (rubber rabbitbrush)

Percent Surrounding Vegetative Cover: 20%

Wildlife Concerns: None

Surface Facilities: None. All equipment and facilities are mobile.

Mining and Reclamation Plan Summary:

During Operations:

Overburden removal with a 950 Cat Loader and a 290.2 Mitsubishi Trackhoe. Cryptobiotic crust (top ~4 inches) is to be salvaged and stockpiled for replacement during reclamation. The gypsum deposit is mined using a road reclaimer instead of drilling and blasting. There are no onsite processing facilities. Mined gypsum is stockpiled onsite and loaded into trucks for shipment. No oil, lubricants, or toxic substances will be drained onto the ground. Mining performed 6+ months out of the year.

After Operations:

All trash at the mine site will be removed to an authorized dump or landfill. All disturbed areas will be recontoured to approximate original contours surface. The recontoured area will be furrowed along the contour to leave a rough surface. Salvaged topsoil will be replaced on the recontoured areas. Salvaged cryptogamic soils will be placed on the replace topsoil. Some reject fines may be placed in the pits as backfill. The disturbed area will be fertilized and seeded using a mix approved by the BLM and DOGM. The reclaimed areas may be temporarily fenced if necessary, to prevent damage by cattle grazing.

Surety:

Amount: \$29,400

Form: Letter of Credit

Renewable Term: 5 years (1999)

RECLAMATION ESTIMATE

Diamond K - Phillip M. Palmer

B & J Placer Claims - Gypsum Mine

M/015/041

Emery County, Utah

last revision 12/14/94

filename M15-41.WB2

Prepared by Utah State Division of Oil, Gas & Mining

Details of Final Reclamation

- Reclamation consists of earthwork and revegetation; no structures are present
- Disturbed areas to be recontoured to leave an undulating surface
- Recontoured areas to be furrowed along the contour to leave a rough surface
- Cryptogamic soils (upper 4 inches) salvaged & replaced 6,389 CY est
- Overburden stockpiled & replaced in pit(used 2 ft depth) 38,720 CY est
- All trash & debris to be removed to an authorized dump or landfill
- Disturbed areas to be seeded using the BLM seed mix recommendation
- Buffer area 100 ft wide to be left between Moore road and mine site (???)
- All impacted drainages to be restored to pre-mining condition (DOGM)
- All slopes left at approximate original contours or 3h:1v
- BLM surety estimate is \$2,000/acre x 12 acres = \$24,000
- Estimated total disturbed acreage = 12.0

Activity	Amount	\$/unit	\$
Regrade pit areas	12 acre	436	5,232
Place overburden	38,720 CY	0.27	10,454
Place cryptogamic soils	6,389 CY	0.27	1,725
Furrow & seed disturbed areas	12 acre	250	3,000
Remove trash & debris	12 acre	100	1,200
Restore drainage-ASSUMED LF	250 LF	1.8	450
Mobilization	1 equip	1,000	1,000
Subtotal			23,061
Add 5% supervision			1,153
Subtotal			24,214
Add 10% contingency			2,421
Subtotal in 1994 -\$			26,636
Add 5 yr escalation at 2.01%			2,787
Total 1999-\$			29,423

Rounded Total in 1999-\$ \$29,400

Average cost per acre = \$2,450